

# Fiscal Note

*Fiscal Services Division*



**SF 51** – Categorical Allowable Growth (LSB 1691SV)

Analyst: Shawn Snyder (Phone: (515) 281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))

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## **Description**

**Senate File 51** requires a 4.0% allowable growth rate be applied to each of the State categorical cost per pupil amounts for FY 2014.

## **Background**

The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2013 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% allowable growth rate for FY 2014. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2014 based on Senate File 51.

State Categorical Supplements	FY 2013 State Cost Per Pupil Amounts	FY 2014 Allowable Growth Rate	Proposed in SF 51	
			Growth in FY 2014 Cost Per Pupil Amounts	State Cost Per Pupil Amount
Teacher Salary - Districts	\$ 517.17	4.0%	\$ 20.69	\$ 537.86
Professional Development - Districts	58.57	4.0%	2.34	60.91
Early Intervention	63.80	4.0%	2.55	66.35
Teacher Salary - AEAs	27.07	4.0%	1.08	28.15
Professional Development - AEAs	3.16	4.0%	0.13	3.29

AEA = Area Education Agency

Additionally, there is a budget guarantee provision for each of the State categorical supplements that holds each district and AEA at the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

## **Assumptions**

Estimates are based on October 2012 certified enrollments and preliminary weightings.

## **Fiscal Impact**

The estimated total fiscal impact of SF 51 will be a General Fund expenditure of \$333.5 million to fund the FY 2014 State categorical supplement amounts. This is an increase of \$13.7 million (4.5%) compared to estimated FY 2013.

The following table provides the detail of the funding levels for each of the State categorical supplements.

<b>Total State Categorical Supplement Amounts by Category - Based on SF 51</b>				
	<u>District Amount FY 2014</u>	<u>AEA Amount FY 2014</u>	<u>Total Amount FY 2014</u>	<u>FY 2014 vs. FY 2013</u>
<b><u>Teacher Salary Supplement</u></b>				
Unadjusted Amount	\$ 256,384,778	\$ 14,442,378	\$ 270,827,156	
Budget Guarantee Amount	254,865	18,243	273,108	
Total Amount	<u><b>\$ 256,639,643</b></u>	<u><b>\$ 14,460,621</b></u>	<u><b>\$ 271,100,264</b></u>	<u><b>\$ 11,120,718</b></u>
	<u>District Amount FY 2014</u>	<u>AEA Amount FY 2014</u>	<u>Total Amount FY 2014</u>	<u>FY 2014 vs. FY 2013</u>
<b><u>Professional Development</u></b>				
Unadjusted Amount	\$ 29,056,813	\$ 1,691,578	\$ 30,748,391	
Budget Guarantee Amount	24,418	1,889	26,307	
Total Amount	<u><b>\$ 29,081,231</b></u>	<u><b>\$ 1,693,467</b></u>	<u><b>\$ 30,774,698</b></u>	<u><b>\$ 1,269,159</b></u>
	<u>District Amount FY 2014</u>	<u>AEA Amount FY 2014</u>	<u>Total Amount FY 2014</u>	<u>FY 2014 vs. FY 2013</u>
<b><u>Early Intervention Supplement</u></b>				
Unadjusted Amount	\$ 31,604,226	NA	\$ 31,604,226	
Budget Guarantee Amount	23,063	NA	23,063	
Total Amount	<u><b>\$ 31,627,289</b></u>	<u><b>NA</b></u>	<u><b>\$ 31,627,289</b></u>	<u><b>\$ 1,323,122</b></u>
	<u>District Amount FY 2014</u>	<u>AEA Amount FY 2014</u>	<u>Total Amount FY 2014</u>	<u>FY 2014 vs. FY 2013</u>
<b><u>All State Categorical Supplements</u></b>				
Total Unadjusted Amount	\$ 317,045,817	\$ 16,133,956	\$ 333,179,773	
Total Budget Guarantee Amount	302,347	20,131	322,478	
Supplement	<u><b>\$ 317,348,163</b></u>	<u><b>\$ 16,154,087</b></u>	<u><b>\$ 333,502,250</b></u>	<u><b>\$ 13,712,998</b></u>
Totals may not sum due to rounding.				

School aid estimates by school district are available on the [LSA website](#).

### **Sources**

Iowa Department of Education, Certified Enrollment file  
Iowa Department of Management, School Aid file  
LSA analysis and calculations

/s/ Holly M. Lyons

January 28, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.